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# GSP growth holds at 2 percent in 1988

The Arizona Gross State Product (GSP) expanded only 1.9 percent in 1988, hardly different from the 2.1 percent advance during 1987. In each of the last two years, Arizona's economic growth was substantially less than the national average (see Table 1, page 2). In contrast, the long-term annual average increase in the GSP is 5.6 percent, double the national average.

In the middle 1980s, the adjusted GSP, which excludes the contributions of the volatile mining and agriculture industries, rose more rapidly than overall GSP. Little difference existed between the two measures in 1987 and 1988.

The quarterly pattern of GSP growth has been erratic (see Table 2, page 2). The year-over-year percent change, however, had deteriorated by the end of 1988 to the weakest figure since the 1982 recession. Other than a modest improvement in first quarter 1988 figures, revised data was little different from that previously reported.

## SECTORAL GROWTH AND SHARES

Before inflation adjustment, GSP totaled $59.7 billion in 1988. The services industry became the largest in the state, surpassing the struggling FIRE (finance, insurance and real estate) sector. Other major industries are trade and manufacturing (see Figure I, page 2). These four industries account for more than two-thirds of the state's economic activity.

For the second consecutive year, the fastest growing industries (after inflation adjustment) were TCPU (transportation, communications and public utilities) and manufacturing. Services is the only other industry to have grown in each year. Construction was the major drag on the economy in 1987, but FIRE experienced the weakest conditions in 1988.

Growth rates by industry in some cases were considerably different when measured by employment instead of GSP (see Figure II, page 3). In mining and government, employment rose at a relatively strong pace, but gross product declined. In contrast, employment gains in manufacturing and TCPU were not nearly as strong as the GSP advances.

This marks a continuation of very strong gains in output per employee in the manufacturing sector. Between 1985 and 1988, manufacturing's gross product increased 20 percent, but employment rose less than 5 percent. Despite a generally healthy industry, manufacturing is contributing to the state's economic problems by creating so few jobs.

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## DEFLATORS

Measured by the gross product implicit price deflator, inflation in Arizona has been slightly greater than the national rate since 1986. Other than the mining industry, where soaring copper prices drove the deflator much higher for the second consecutive year, the highest inflation rates remained in the service industries: FIRE, government and services.

## PER CAPITA GSP

On a per person basis, GSP before inflation adjustment amounted to $17,068. On a real basis, this figure declined for the second consecutive year. Per capita GSP remained well below per person GNP.

## COMPARISON TO OTHER MEASURES

The annual average GSP increase of 1.9 percent was nearly identical to the increase in wage and salary employment. The year-over-year percent change decelerated during the course of 1988 for both measures, with the year-end annual increases nearly identical at approximately 1 percent. On the employment measure, this performance placed Arizona among the slowest-growth states in the nation.

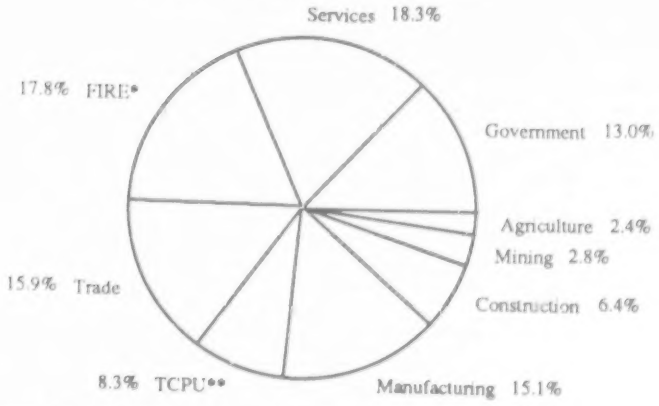
The weak and slowing performance of the Arizona economy measured by GSP was also seen in the coincident economic index for the state. The latter, however, measured substantial growth in the fourth quarter while the GSP measure was flat. The coincident index's improvement largely resulted from a sharp decline in the unemployment rate.

## OUTLOOK

After two consecutive subpar years in 1987 and 1988 in which its economic

**FIGURE 1**

**ARIZONA GROSS STATE PRODUCT**
**1988 Sectoral Shares, Current Dollars**




*Finance, Insurance, and Real Estate
**Transportation, Communications, and Public Utilities

*Source:* Center for Business Research, College of Business, Arizona State University.

growth failed to come close to matching the national rate, Arizona's economy entered 1989 at its lowest year-over-year growth rate yet this cycle. Thus, even if modest improvement in economic conditions occurs during the course of 1989, annual average growth is unlikely to be much different than in 1987 or 1988.

While the problems afflicting the Arizona economy clearly are cyclical, current conditions do not reflect those of a typical economic cycle. Rather, the current down cycle is closely following that of the early-to-mid-1960s, in which five poor years occurred consecutively. That episode was primarily precipitated by overbuilding, as was the current cycle.

With vacancy rates in most commercial sectors still rising, a recovery in the construction industry probably is years away. The manufacturing industry shows no sign of performing better than it has in recent

**TABLE 1**

**ANNUAL ECONOMIC GROWTH**

| | Arizona Gross State Product | | | | Gross National Product |
|---|---|---|---|---|---|
| *Annual* | *Billions of Current Dollars* | *Billions of 1982 Dollars* | *Percent Change, 1982 Dollars* | *Percent Change, Adjusted GSP** | *Percent Change, 1982 Dollars* |
| 1982 | 34.266 | 34.260 | –3.2 | –1.9 | –2.5 |
| 1983 | 37.789 | 36.270 | 5.9 | 8.0 | 3.6 |
| 1984 | 43.206 | 40.283 | 11.1 | 11.3 | 6.8 |
| 1985r | 48.126 | 43.505 | 8.0 | 9.1 | 3.4 |
| 1986r | 52.604 | 45.923 | 5.6 | 6.7 | 2.8 |
| 1987r | 56.251 | 46.905 | 2.1 | 2.2 | 3.4 |
| 1988 | 59.687 | 47.795 | 1.9 | 2.1 | 3.9 |

**TABLE 2**

**QUARTERLY REAL ECONOMIC GROWTH**

| | Quarterly Percent Change | | | Percent Change from Same Quarter, Prior Year | | |
|---|---|---|---|---|---|---|
| | *GSP** | *Adjusted GSP*** | *GNP* | *GSP** | *Adjusted GSP*** | *GNP* |
| First Quarter 1987 | –0.6 | –1.6 | 1.1 | 1.1 | 1.3 | 1.5 |
| Second Quarter 1987 | 1.4 | 1.6 | 1.2 | 2.5 | 2.0 | 3.0 |
| Third Quarter 1987 | 0.8 | 1.0 | 1.1 | 2.4 | 2.6 | 3.9 |
| Fourth Quarter 1987 | 1.0 | 1.9 | 1.5 | 2.6 | 2.9 | 5.0 |
| First Quarter 1988 | –0.5 | –1.1 | 0.8 | 2.6 | 3.4 | 4.8 |
| Second Quarter 1988 | 1.0 | 0.3 | 0.7 | 2.3 | 2.1 | 4.2 |
| Third Quarter 1988 | 0.4 | 0.9 | 0.6 | 1.9 | 2.0 | 3.7 |
| Fourth Quarter 1988 | –0.0 | 1.0 | 0.6 | 0.9 | 1.0 | 2.8 |

*The adjusted GSP is the GSP in billions of 1982 dollars, minus the contributions of the agriculture and mining industries.

rRevised.

*Source (Tables 1 and 2):* Center for Business Research, College of Business, Arizona State University. GNP data are from the U.S. Department of Commerce, Bureau of Economic Analysis.

years. Thus, the main goods-producing industries are unlikely to provide any boost to the Arizona economy during the rest of 1989 or 1990.

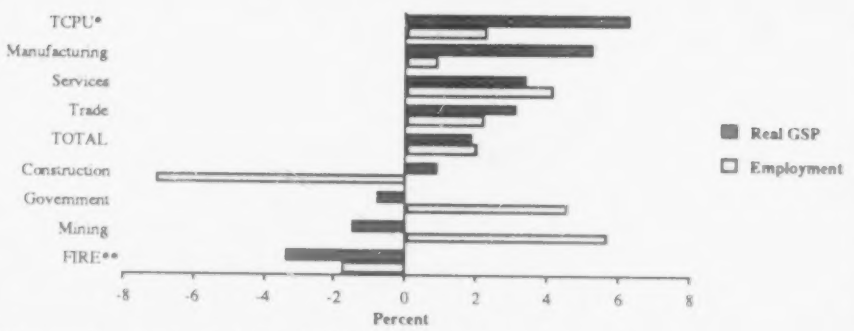
Other industries also are unlikely to experience improved conditions in 1989-90. Finance and real estate will continue to struggle, with a good chance that conditions will become worse before they improve. Tourism will have another good, but not better, year.

As a result of this sectoral review, it is difficult to be optimistic about overall economic growth. Short of a massive infusion of new firms from out of state — a highly unlikely occurrence — much improvement in economic performance is doubtful. GSP probably will rise approximately 2 percent again in 1989, though a chance of slower growth exists. Assuming that national economic conditions do not deteriorate too much, 1990 may be slightly better. Should a national recession develop, however, GSP growth likely will slide to zero — or become negative.

In the 1960s cycle, national economic conditions remained strong throughout, as did growth in Arizona's manufacturing industry. Under these conditions, it took five years for overall economic conditions to improve appreciably. Thus, it probably is optimistic to assume that Arizona's economy will improve significantly before 1992. A national recession would push the onset of the next strong expansion back another year.

**FIGURE II**

**1988 GROWTH RATES BY SECTOR**




*Transportation, Communications, and Public Utilities
**Finance, Insurance, and Real Estate

*Source:* Center for Business Research, College of Business, Arizona State University. Employment data from Arizona Department of Economic Security.

– **Tom R. Rex**
*Research Manager*

# Net migration remains low during first quarter

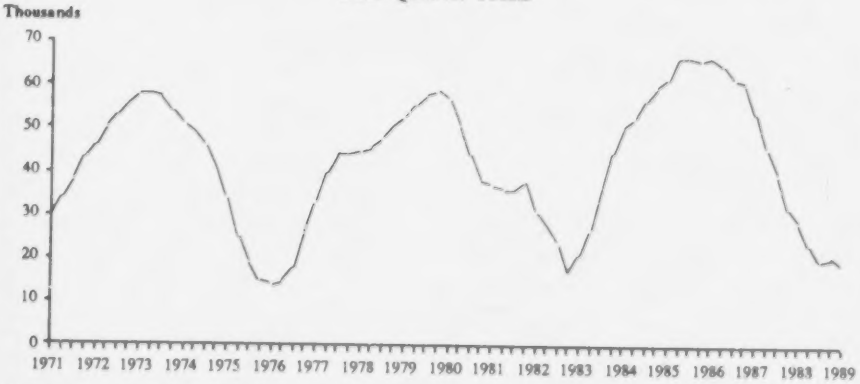
Net in-migration to the Phoenix metropolitan area was approximately 5,000 in first quarter 1989. This inflow was less than that estimated for fourth quarter 1988 (7,000), but slightly more than in the second and third quarters of 1988 (3,000 and 4,000 respectively).

The four-quarter total migration through first quarter 1989 — 19,000 — was the least net in-migration yet this cycle, barely above the worst recorded in the 1981-82 recession. The lowest four-quarter inflow since the late 1960s was 14,000 in 1975-76 (see Figure 1).

Combined with net natural increase, the population change during first quarter 1989 was approximately 11,000, raising the Maricopa County population to 2,048,000, up 41,000 from first quarter 1988. Statewide, the population was approximately 3,550,000, up from 3,481,000 at the end of first quarter 1988 and 3,534,000 at year-end 1988.

**FIGURE I**

**NET MIGRATION TO MARICOPA COUNTY**
**Four-Quarter Totals**




*Source:* Center for Business Research, College of Business, Arizona State University.

## OUTLOOK

The quarterly pattern of net inflows raises the question whether the fourth quarter's figure was an aberration on the high side, rather than the middle two quarters of 1988 being an abnormality on the low end.

Employment gains, which lead migration flows by several months on average, have continued sluggish. The Arizona Index of Leading Economic Indicators has shown considerable weakness over the last few months, suggesting that job creation will remain poor, if not worsen, during the next few months.

A number of factors that come to light in April will have negative impacts on employment gains and population inflows: higher interest rates, rising vacancy rates and weak absorption in many commercial/industrial sectors, and intensifying problems at various local financial institutions. Thus, improvement in the migration flows seems less likely than previously predicted.

– **Tom R. Rex**
*Research Manager*

# First quarter 1989 housing affordability is strong

Subpar economic conditions and a weak real estate market are providing good opportunities for homebuyers in Metropolitan Phoenix in terms of both availability and affordability. Despite higher mortgage interest rates during first quarter 1989, affordability of resale homes in the Valley rose slightly, due primarily to a decline in the median home price. Metro Phoenix new home affordability fell slightly during the first quarter, but not as much as the decline in national affordability of both new and resale homes. Higher mortgage rates locally and nationally were the primary contributors to the reduced affordability.

The Metro Phoenix resale home affordability index improved slightly from 123 to 124 during first quarter 1989, rising to its second-highest level yet (see Table 1). The new home index fell from 91 to 88, returning new home affordability to the level of first quarter 1988.

Both new and resale homes were considerably less affordable nationally; the national index declined further than the Valley's index (see Figure I). National resale home affordability fell from 108 to 100, the lowest level since fourth quarter 1985 (see Table 2). Affordability of new homes dropped from 82 to 77, matching fourth quarter 1987 — its lowest point since first quarter 1985.

An index of 100 or more indicates that a median-income household is able to qualify for a median-priced home, assuming a 15 percent downpayment on a fixed-rate, conventional, 30-year mortgage and an income qualification factor of 28 percent. As the index level rises, affordability improves; for example, an increase in the index from 80 to 90 means affordability has improved, although a median-income household still cannot afford a median-priced home.

During first quarter 1989, a median-income household in the Metro Phoenix area could afford a $92,988 home — more than the $75,000 median-priced resale home, but less than the $105,625 median-priced new home. The median-income household nationally could afford a $91,425 home, less than both the $91,740 median- priced resale home and the $119,000 median-priced new home.

## COMPONENT CHANGES

Throughout the 1980s, variations in mortgage interest rates have had greater impact on housing affordability than have fluctuations in either home prices or household incomes. During first quarter 1989, the effective mortgage rate (contract rate plus fees and charges, or "points") in the Phoenix area rose to 11.4 percent from 10.8 percent during the prior quarter, causing affordability to drop. The local effective mortgage rate was higher during first quarter 1989 than at any time since fourth quarter 1985 (see Figure II).

National mortgage rates rose from 10.8 percent during the prior quarter to 11.3 percent during first quarter 1989. Until 1988, local rates were typically slightly below national rates; local rates have been equal to or slightly above national rates for the past year.

Even though mortgage rates have the greatest impact on affordability levels, changes in home prices have had a larger-than-normal role recently. Except during the 1982 recession, the median price of homes in Metro Phoenix increased steadily until 1988, when prices remained flat or fell from 1987 levels. The median price of Valley resale homes fell to $75,000 during first quarter 1989 from $78,000 the prior quarter, indicating that the weak local housing market may now be showing up in lower prices as well as slow sales. The median price of new homes in the Valley remained almost level, rising from $105,550 to $105,625. New home prices have not increased significantly since fourth quarter 1987, and the annual first-quarter-over-first-quarter increase is the smallest of the 1980s.

Nationally, prices rose on both new and resale homes; the price of the median resale home increased from $86,950 to $91,750, while new home prices surged from $113,500 to $119,000. The 5.5 percent resale home increase was the largest increase of the 1980s. The 4.8 percent new home price increase was the third highest of this decade.

The median income has been increasing faster than the median home price in the Phoenix area since 1988, further improving local affordability. The median gross household income in the Valley was estimated to be $33,110 during the first quarter, slightly higher than the national estimated median of $32,250. Locally, the median income has been rising slightly

**TABLE 1**

**HOUSING AFFORDABILITY INDEXES**
**Metropolitan Phoenix; Single-family Only**

| | Resale Homes | | | | | New Homes | | |
|---|---|---|---|---|---|---|---|---|
| *Quarter* | *Median Gross Monthly Income* | *Effective Interest Rate* | *Median Sales Price* | *Monthly Housing Payment* | *Affordability Index* | *Median Sales Price* | *Monthly Housing Payment* | *Affordability Index* |
| 1st 1987 | $2,920 | 9.4% | $75,000 | $630 | 131 | $96,520 | $810 | 101 |
| 2nd 1987 | 2,970 | 10.6 | 78,000 | 720 | 116 | 95,310 | 880 | 95 |
| 3rd 1987 | 3,010 | 10.8 | 79,500 | 750 | 113 | 101,000 | 950 | 89 |
| 4th 1987 | 3,060 | 11.3 | 77,475 | 760 | 113 | 106,600 | 1,040 | 82 |
| 1st 1988 | 3,100 | 10.7 | 77,000 | 720 | 121 | 105,560 | 980 | 88 |
| 2nd 1988 | 3,140 | 10.8 | 77,600 | 730 | 120 | 100,540 | 940 | 93 |
| 3rd 1988 | 3,170 | 10.9 | 79,000 | 740 | 119 | 104,400 | 980 | 90 |
| 4th 1988 | 3,210 | 10.8 | 78,000 | 730 | 123 | 105,550 | 990 | 91 |
| 1st 1989 | 3,260 | 11.4 | 75,000 | 740 | 124 | 105,625 | 1,040 | 88 |

*Source:* Arizona Real Estate Center, College of Business, Arizona State University. Interest rates are from the Federal Home Loan Bank Board *News*.

faster than the national median since 1986, and home prices have been rising faster than incomes nationally, further widening the spread between local and national affordability.

## OUTLOOK

Mortgage rates should continue to exert the greatest influence on housing affordability, although home prices may play a larger and more uncertain role than in the past. Mortgage rates will likely remain near the current levels during the next quarter as the Fed attempts to bring the national economy to a "soft landing" by keeping interest rates relatively high in order to slow the economy, without allowing the country to enter a recession. The jury is still out as to how successful their approach will be, but current indications are that a soft landing may be possible, at least in the short term.

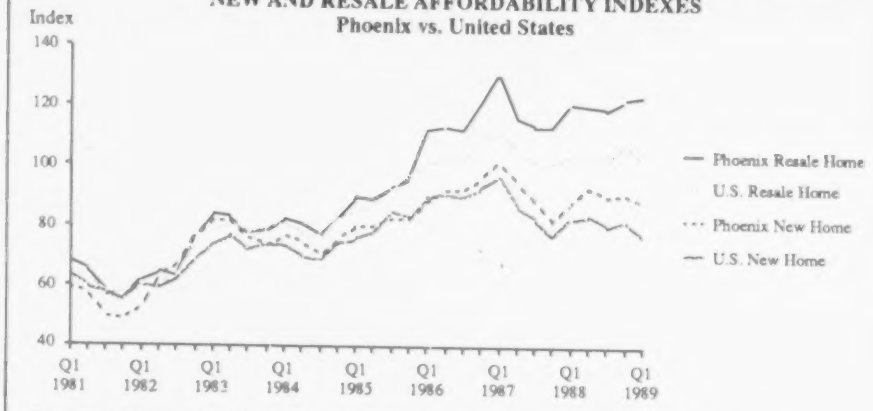
The median household income should also increase slightly, though it may fall somewhat short of inflation. However, the increase may not be as large as in a typical year and many households may face more uncertainty than usual, due to the many firms laying off employees, going out of business, and facing foreclosure.

Unless mortgage rates rise unexpectedly, housing affordability should remain at the current high levels for the next few months, possibly improving even more if home prices fall further. Homebuyers should continue to benefit from higher availability of homes and strong affordability levels in the near future.

– **Sharla Kivett,** *Research Analyst*
*Arizona Real Estate Center*

**FIGURE I**

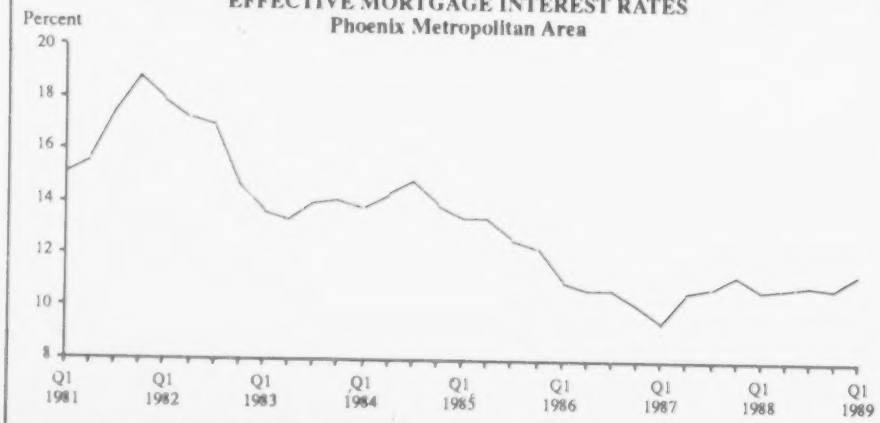
**NEW AND RESALE AFFORDABILITY INDEXES**
**Phoenix vs. United States**




*Source:* Arizona Real Estate Center, College of Business, Arizona State University.

**FIGURE II**

**EFFECTIVE MORTGAGE INTEREST RATES**
**Phoenix Metropolitan Area**




*Source:* Federal Home Loan Bank Board *News*.

**TABLE 2**

**HOUSING AFFORDABILITY INDEXES**
**United States; Single-family Only**

| | Resale Homes | | | | | New Homes | | |
|---|---|---|---|---|---|---|---|---|
| *Quarter* | *Median Gross Monthly Income* | *Effective Interest Rate* | *Median Sales Price* | *Monthly Housing Payment* | *Affordability Index* | *Median Sales Price* | *Monthly Housing Payment* | *Affordability Index* |
| 1st 1987 | $2,870 | 9.6% | $84,300 | $720 | 112 | $97,900 | $830 | 97 |
| 2nd 1987 | 2,910 | 10.4 | 86,000 | 780 | 104 | 103,400 | 940 | 87 |
| 3rd 1987 | 2,950 | 10.9 | 86,800 | 820 | 101 | 106,000 | 1,000 | 83 |
| 4th 1987 | 2,990 | 11.3 | 85,000 | 830 | 101 | 111,500 | 1,080 | 77 |
| 1st 1988 | 3,020 | 10.6 | 88,150 | 810 | 104 | 110,000 | 1,010 | 83 |
| 2nd 1988 | 3,060 | 10.7 | 88,850 | 820 | 104 | 110,000 | 1,020 | 84 |
| 3rd 1988 | 3,100 | 10.9 | 90,175 | 850 | 102 | 115,000 | 1,080 | 80 |
| 4th 1988 | 3,130 | 10.8 | 86,950 | 810 | 108 | 113,500 | 1,060 | 82 |
| 1st 1989 | 3,170 | 11.3 | 91,750 | 890 | 100 | 119,000 | 1,160 | 77 |

*Source:* Arizona Real Estate Center, College of Business, Arizona State University. Interest rates are from the Federal Home Loan Bank Board *News*.

# Coincident index growth diverged in February

Economic growth rates varied considerably across Arizona in February. In the Phoenix area, the economy expanded modestly for the second consecutive month. The situation was much different in the Tucson area, where a sharp drop in February followed a slim gain in January. In non-urban Arizona, a small decline in February followed a moderate increase in January. Since late 1987, the Tucson area has led the rest of the state through swings in economic performance; the Phoenix area has lagged in these variations (see Figure I).

In February, the coincident economic index for the Phoenix area rose 0.3 percent to 151.4, up from a revised 150.9 in January (1982=100). The Tucson area's decline in February was 0.8 percent, dropping its index to 140.0. Rural Arizona's coincident index fell 0.2 percent to 133.1.

The unemployment rate rose in each area of the state in February, but results of the other components were mixed. A relatively large number of new jobs were created in Maricopa County, but employment gains were slight in rural Arizona and negative in the Tucson area.

The value of commercial building permits rose, offsetting some of January's big loss in the Phoenix area, but the value declined elsewhere, especially in the Tucson area. Retail sales barely changed from month-earlier values.

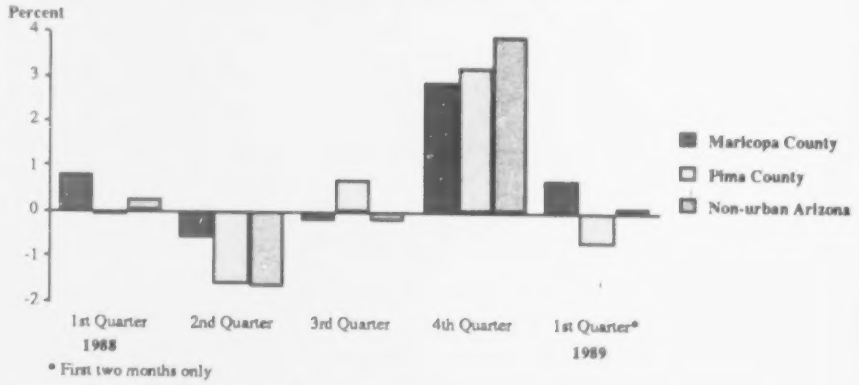
The composite index for the state edged up 0.1 percent to 146.1 — 2.7 percent higher than in February 1988. The annual increase in Maricopa County and non-urban Arizona also was in the 2.5 to 3 percent range, but the annual rate slipped to 1.5 percent in Pima County.

Preliminary data for March indicate that another modest gain likely occurred in Maricopa County. Growth in the rest of the state probably was moderate, an improvement over the January-February performance.

– Tom R. Rex
*Research Manager*

**FIGURE I**

**COINCIDENT ECONOMIC INDEXES**
**Quarterly Percent Change**




*Source:* Center for Business Research, College of Business, Arizona State University.

# Purchasing indicators gain strength in April

The Arizona economy showed surprising strength in April for the second month in a row. All indicators except employment increased; new orders received and production enjoyed their largest monthly increases in 12 and 6 months, respectively. Employment registered "no growth" for the second month in a row, reflecting a "wait and see" attitude on the part of Arizona employers. Since net employment declines were reported in the four months between November 1988 and February 1989, this bottoming out is encouraging. The inflation rate continued to hold steady.

It now appears that the low spot in the current economic growth curve occurred in January and February, and that the economic trend began to tilt upward in March and gained additional strength in April. While a robust rebound will not occur until interest rates begin to decline, a further, modest step-up in the growth rate should occur in the latter half of the year.

– Harold Fearon

*Dr. Fearon is the National Association of Purchasing Management Professor in the ASU College of Business.*

**TABLE 1**

**APRIL PURCHASING SURVEY**

| | Percent of Purchasing Managers Indicating Each Response (April compared to March) | | |
|---|---|---|---|
| *Key Indicators* | *Higher* | *Same* | *Lower* |
| Prices paid for major commodities | 50 | 48 | 2 |
| Delivery time from vendors | 31 | 64 | 5 |
| Purchased materials inventory level | 33 | 38 | 29 |
| New orders received | 41 | 38 | 21 |
| Production | 36 | 43 | 21 |
| Employment | 22 | 56 | 22 |
| Purchases | 44 | 30 | 26 |

*Source:* Purchasing Management Association of Arizona and the Purchasing Management Association of Southern Arizona.

# Arizona leading index regains ground lost in February

The Arizona Index of Leading Economic Indicators increased in March to 119.0. The March number was 0.59 percent higher than the 118.3 number for February 1989 and equal to the number for January 1989 (1982 = 100).

Residential building permits, sensitive prices, new orders, delivery times, production and employment had a positive impact. Manufacturing hours worked, inventories and the money supply were negative influences.

## ANALYSIS

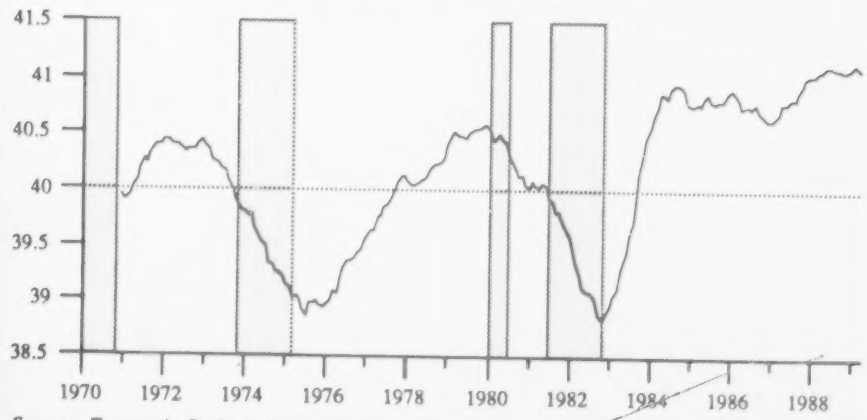
Seasonally adjusted hours worked in manufacturing is probably the least talked about component of the leading index. Manufacturers' first reaction to a change in demand is often to adjust the number of hours worked by current employees rather than to adjust the size of the staff. Thus, changes in hours worked by manufacturing employees often lead changes in production and the employment level.

Hours worked in manufacturing is estimated from a monthly sampling of employers conducted by the Arizona Department of Economic Security in cooperation with the U.S. Bureau of Labor Statistics. A 12-month moving average was used in Figure I to smooth the series for graphing purposes. However, the moving average obscures the fact that hours worked in manufacturing does lead the economy. The bands on the graph represent recessionary periods for Arizona, calculated by the Center for Business Research from gross state product data and other indicators.

The graph clearly shows that, except for the very short recession of 1980, hours worked in manufacturing were at or below 40 hours per week when the recession started. Hours worked have been on an upward path since the end of the last recession in 1982. Employment growth has been below 2 percent for the last three years, while hours worked has continued to rise, suggesting that since Arizona is in a slow growth period, employers are being quite cautious about expanding capacity. There is no evidence yet of the sharp drop in hours worked that precedes most recessions.

**FIGURE I**

**MANUFACTURING HOURS WORKED PER WEEK**
**12-Month Moving Average**




*Source:* Economic Outlook Center, College of Business, Arizona State University; sponsored by Citibank (Arizona).

**TABLE 1**

**NET CONTRIBUTION OF INDIVIDUAL COMPONENTS TO THE ARIZONA INDEX OF LEADING ECONOMIC INDICATORS**

| | Net Contribution* | | | |
|---|---|---|---|---|
| | *Dec.* | *Jan.* | *Feb.* | *Mar.* |
| Delivery Time* | .02 | –.01 | –.02 | .09 |
| Inventory Levels* | –.09 | .11 | .02 | –.09 |
| New Orders* | –.05 | –.04 | –.07 | .12 |
| Production* | –.06 | –.14 | –.09 | .09 |
| Employment* | –.03 | –.03 | –.06 | .08 |
| Residential Building Permits | .09 | –.09 | –.36 | .32 |
| Average Workweek, Manufacturing | .00 | –.10 | .07 | –.10 |
| Money Supply | .00 | –.34 | –.13 | –.07 |
| Change in Sensitive Materials Prices | .00 | .04 | .09 | .16 |
| OVERALL INDEX CHANGE (%) | –.11 | –.61 | –.56 | .59 |

*The net contribution of each component is calculated by multiplying the monthly percent change in its index by its relative importance.

*Based on indicators from the Purchasing Management Associations of Arizona and southern Arizona.

*Source:* Economic Outlook Center, College of Business, Arizona State University; sponsored by Citibank (Arizona).

## OUTLOOK

The drop in the money supply slowed significantly in March — a trend which may continue as the Federal Reserve reacts to indications that the national economy is slowing. Residential building permits remain on an erratic course that is likely to continue for a while. The index suggests that the Arizona economy will stay on the slow growth path for the time being.

– **Tracy L. Clark,** *Economist*
*Economic Outlook Center*

**The Arizona leading index is based on 9 economic indicators, combined and weighted to project the pace of economic activity several months ahead. Five of the components come from a monthly survey of Arizona purchasing managers conducted by Dr. Harold Fearon. The Arizona Index of Leading Economic Indicators is sponsored by Citibank (Arizona).**

# ARIZONA ECONOMIC INDICATORS

| | Month or Quarter | Value | Percent Change from Previous Period | Percent Change from Year Ago | Year-to-Date Value | Year-to-Date Percent Change from Year Ago |
|---|---|---|---|---|---|---|
| GROSS STATE PRODUCT (In Billions of Dollars, at Annual Rate) | | | | | | |
| Arizona - Current Dollars | 4th Qtr. | 61.103 | 1.7 | 5.0 | NA | NA |
| Arizona - 1982 Dollars | 4th Qtr. | 48.005 | 0.0 | 0.9 | NA | NA |
| COINCIDENT ECONOMIC INDEXES (1982 = 100) | | | | | | |
| Arizona | Feb. | 146.1 | 0.1 | 2.7 | NA | NA |
| Metropolitan Phoenix | Feb. | 151.4 | 0.3 | 3.0 | NA | NA |
| Metropolitan Tucson | Feb. | 140.0 | –0.8 | 1.5 | NA | NA |
| Non-urban Arizona | Feb. | 133.1 | –0.2 | 2.7 | NA | NA |
| CONSUMER PRICE INDEX (1982-84 = 100) | | | | | | |
| Metropolitan Phoenix | 1st Qtr. | 123.7 | 1.0 | 5.4 | NA | NA |
| INDEX OF LEADING ECONOMIC INDICATORS (1982 = 100) | | | | | | |
| Arizona | March | 119.0 | 0.6 | –1.1 | NA | NA |
| BUILDING PERMITS (Total Dollar Value in Thousands) | | | | | | |
| Maricopa County | Feb. | 217,999 | –6 | –10 | 450,882 | 6 |
| Pima County | Feb. | 22,834 | –32 | –44 | 56,475 | –16 |
| Balance of State | Feb. | 42,445 | 10 | –9 | 81,001 | 3 |
| Arizona | Feb. | 283,278 | –7 | –14 | 588,358 | 3 |
| TOTAL HOUSING UNITS AUTHORIZED | | | | | | |
| Maricopa County | Feb. | 1,175 | 35 | –10 | 2,043 | –18 |
| Pima County | Feb. | 155 | –26 | –69 | 365 | –50 |
| Balance of State | Feb. | 912 | 61 | 24 | 1,478 | –3 |
| Arizona | Feb. | 2,242 | 36 | –12 | 3,886 | –18 |
| HOME SALES | | | | | | |
| Maricopa County - Number | March | 3,320 | –1 | 2 | 10,430 | 0 |
| Maricopa County - Median Price | March | 78,250 | –1.1 | –0.9 | 80,000 | 0.0 |
| HOUSING AFFORDABILITY INDEXES | | | | | | |
| Metropolitan Phoenix - New Homes | 1st Qtr. | 88 | –3.3 | 0.0 | NA | NA |
| Metropolitan Phoenix - Resale Homes | 1st Qtr. | 124 | 0.8 | 2.4 | NA | NA |
| MORTGAGE INTEREST RATES (Conventional, 30-year, Fixed-rate) | | | | | | |
| Maricopa County | April | 11.0 | –0.9 | 7.8 | NA | NA |
| POPULATION ESTIMATES (In Thousands) | | | | | | |
| Maricopa County | 1st Qtr. | 2,048 | 0.5 | 2.0 | NA | NA |
| Arizona | 1st Qtr. | 3,550 | 0.5 | 2.0 | NA | NA |
| ELECTRICAL POWER SALES (In Millions of Kilowatt Hours) | | | | | | |
| Arizona | March | 3,229 | 7.1 | 3.8 | 9,840 | 5.3 |

NA = Not Applicable

*Source:* Center for Business Research, College of Business, Arizona State University.


## ARIZONA BUSINESS

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